



# CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt Resolution Affirming Benefits Provided to City Council Members

**MEETING DATE:** November 15, 2000

**PREPARED BY:** City Manager

**RECOMMENDED ACTION:**

That the Council adopt a Resolution affirming the Executive Management Benefits currently being provided to City Council Members.

**BACKGROUND INFORMATION:**

During the July 5, 2000 City Council meeting, Council reviewed the benefits currently being extended to Council Members and discussed the college tuition reimbursement benefit. Council, on a 4-1 vote (Council Member Hitchcock dissenting), removed the Tuition Reimbursement from the existing benefits package. Furthermore, Council Member Pennino read for the record the "Executive Management Benefits" (Attachment A) currently provided to Council as follows:

"Accidental Death Insurance, Accidental Travel Insurance, Chiropractic Insurance, Credit Union Membership, Deferred Compensation, Dental Insurance, Direct Deposit Payroll, Employee Assistance Program, Employee Development, Executive Physical, Flexible Spending Account, Life Insurance, Medical Insurance, Medical Fringe, Medical-Married City Employees, Pharmaceutical, Recreation (LCEA), 2% @ 55 after 12 years through PERS, Tuition Reimbursement, Vision Insurance, Workers Compensation."

Subsequently, the issue of Council benefits, and in particular college tuition reimbursement, was reviewed by the San Joaquin County Grand Jury based on a citizen's complaint. The Grand Jury has now issued their FINAL REPORT CASE # 0100 Tuition Reimbursement City of Lodi (Attachment B) which makes the following recommendation:

"It is recommended that the City of Lodi Council Members address the issue of benefits being extended to Council Members. This vote could be taken at a time when the impact on the current Council would have minimal effect. To continue to extend benefits based on an administration decision made in 1988 leaves ongoing decisions on this issue open to scrutiny and conjecture."

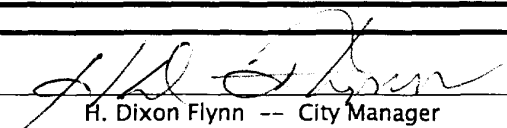
Funding: Not Applicable

Respectfully Submitted,

  
H. Dixon Flynn  
City Manager

Attachments

APPROVED: \_\_\_\_\_

  
H. Dixon Flynn -- City Manager

11/08/00

EXHIBIT A

CITY OF LODI

EXECUTIVE MANAGEMENT  
STATEMENT OF BENEFITS

MARCH 18, 1998

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**ARTICLE I - EXECUTIVE MANAGEMENT CLASSIFICATIONS/AT WILL STATUS**

## 1.1

Executive Management employees are "at-will" and serve at the pleasure of the appointing authority. Executive Management employees fall under three categories: City Council appointees; City Manager appointees; and Library Board appointee.

## 1.2

Classifications which serve at the pleasure of the City Council are as follows:

City Attorney  
City Clerk  
City Manager

## 1.3

Classifications which serve at the pleasure of the City Manager are as follows:

Community Center Director  
Community Development Director  
Deputy City Manager  
Economic Development Coordinator  
Electric Utility Director  
Finance Director  
Fire Chief  
Parks and Recreation Director  
Human Resources Director  
Police Chief  
Public Works Director

## 1.4

The Library Services Director serves at the pleasure of the Library Board.

## 1.5

Employment with the City of Lodi shall serve as employees sole and exclusive employment unless otherwise approved by the City Manager.

## 1.6

Upon hire, Executive Management employees will be subject to a contract as a condition of employment.

## 1.7

To the extent that language in the contract entered into between the City and an Executive Management employee is found to conflict with this statement of benefits, the language of the contract shall govern.

## ARTICLE II – COMPENSATION

### 2.1

#### **Purpose of the Executive Management Compensation System**

The primary purpose of the Executive Management compensation system is to recruit and retain the best available talent for a given position and provide incentives for peak performance. This requires that pay ranges be competitive in making the City a desirable place to work and that a rational pay and incentive system be in place.

### 2.2

#### **Compensation Principles**

The principles by which Lodi's Executive Management compensation system operates are:

- Market Equity: Salary ranges for a given position will normally be similar to salary ranges of comparable agencies for which the City of Lodi competes for employees.
- Compensation: The compensation of Executive Management employees will be based on performance, market, and needs of the City. Accordingly, managers will receive as a minimum an annual performance evaluation developed between the City Manager and the employee.

### 2.3

#### **Definitions**

1. **Control Point** – a point upon which the salary range for an Executive Management position is based. The bottom of the range is 10% below the Control Point, and the ceiling of the range is 10% above the Control Point. Control Points are recommended by the City Manager and approved by the City Council, using external salary comparisons and internal salary relationships. While there are no "steps" in Executive Management salary ranges, the Control Point may be considered to be similar to the "C" step for positions with stepped pay ranges.
2. **Cost Of Living Increase** – an increase to the Control Point for each Executive Management position as approved by Council. A Cost Of Living increase to the actual salary of an employee is subject to approval by the City Manager.
3. **Equity Increase** – a change in the Control Point for a specific Executive Management position, apart from the Cost Of Living increase, approved by City Council. An Equity increase may be justified based upon organizational changes, internal comparisons and/or external market equity survey data. A market survey will be performed at a minimum of once every three (3) years.

4. **Performance Increase** – a salary increase granted by the City Manager to an individual whose performance regularly exceeds job standards for that position. A Performance Increase is designed to apply to a specific individual occupying an Executive Management position and will not raise the Control Point for that position. A Performance Increase may be granted up to a maximum of 10% percent above the Control Point for that position and shall not exceed the salary range. Normally performance increases will occur in steps of 5%.
5. **Salary Range** – a range of compensation, the bottom of which is 10% below the Control Point, and the ceiling of which is 10% above the Control Point for an Executive Management position.

## 2.4

**General Provisions**

1. The Control Point will be the highest salary which an employee may receive, except for Performance Increases as determined by the City Manager.
2. General adjustments to Executive Management salary ranges will be made by moving the Control Point in the amount approved by the City Council as a Cost Of Living increase or by salary survey. Executive salaries will be moved in relation to Control Point changes as determined by the City Manager.

## 2.5

**Appointments**

A person appointed to an Executive Management position will receive a salary no less than 10% below the control point or 10% above the control point.

## 2.6

**Performance Review – First Year**

After six months from the original date of appointment and with a satisfactory performance evaluation, the City Manager may grant an increase in salary of not more than 5%. At one year from the original date of appointment, the City Manager may grant an increase in salary of not more than 5%.

## 2.7

**Annual Performance Review**

The City Manager will develop an annual performance evaluation with each employee which will include goals and objectives in the City's Financial Plan and Budget and other objectives as may be considered to be appropriate.

## ARTICLE III – STIPULATION OF BENEFITS

3.1

The benefits described herein, reflect the type and, as appropriate, level of benefits offered to Executive Management employees at the time upon which this Statement of Benefits was revised (11/97). The City reserves the right at any time to modify the type and level of benefits offered to Executive Management employees to the fullest extent permitted by law.

3.2

This Statement of Benefits describes fully all matters relating to salary, benefits, hours, leaves, holidays and tuition reimbursement conferred to Executive Management employees. No additional benefit may be conferred by the City or any City employee to Executive Management employees unless authorized in writing by the City Council by formal action.

3.3

The City shall not be required to provide such benefits if individual members are ineligible due to law or regulations.

#### ARTICLE IV – DEFERRED COMPENSATION

4.1

Executive Management employees may participate in the City's Deferred Compensation Plan. Investment options available to participants are specified in the prospectuses of the Deferred Compensation administrators. Eligibility is determined by applicable laws and carrier plans.



## ARTICLE V – FLEXIBLE SPENDING ACCOUNT

### 5.1

Executive Management employees shall have the option of participating in the Flexible Spending Account (Section 125 Plan).

Specifics regarding the conditions and administration of the plan are available from the administrators.

### 5.2

Elections for the calendar year will be made during the designated open enrollment period, or if a change in family status occurs.

## ARTICLE VI – HOURS AND OVERTIME

### 6.1

In addition to working schedules consistent with regular business hours, Executive Management employees are required to work hours beyond regular business hours as determined by the scope of a position's responsibilities, and in accordance with business necessity and the needs of the City.

### 6.2

Executive Management positions are considered exempt from the overtime provisions of the Fair Labor Standards Act, and shall not be eligible for compensatory time off (CTO), except where a Federal emergency is declared. The City Manager will make determinations for compensation under these circumstances on a case by case basis.

### 6.3

Upon promotion into an Executive Management position compensatory time accrued must be paid or used prior to the promotion.

## ARTICLE VII - RETIREMENT

## 7.1

The City of Lodi provides retirement benefits through the Public Employees Retirement System. Executive Management employees shall receive the following retirement benefits.

The Police Chief is covered under Police, the Fire Chief is covered under Fire and all other Executive Management employees are covered under the Miscellaneous category.

Police	2% at 50 plan	<ul style="list-style-type: none"><li>• 1959 Survivors Benefit</li><li>• Employees' 9% paid by City</li><li>• Credit for Unused Sick Leave</li></ul>
Fire	2% at 50 plan	<ul style="list-style-type: none"><li>• 1959 Survivors Benefit</li><li>• Employees' 9% paid by City</li><li>• Single highest year</li><li>• Credit for Unused Sick Leave</li></ul>
Miscellaneous	2% @ 60 plan	<ul style="list-style-type: none"><li>• 1957 Survivors Benefit</li><li>• 1959 (Plus 25%) Survivors Benefit</li><li>• Ordinary disability vested at 30% at 5 years increasing 1% per year to maximum of 50%</li><li>• 50% survivors continuation</li><li>• Employee's 7% paid by City</li><li>• Credit for Unused Sick Leave</li></ul>

## ARTICLE VIII – VACATION LEAVE

## 8.1

Employees hired into an Executive Management position prior to July 1, 1994 shall receive the following vacation benefits:

## Beginning with:

Date of Hire:	3.08 hours per pay period	(10 days per year)
6th year	4.62 hours per pay period	(15 days per year)
12th year	5.23 hours per pay period	(17 days per year)
15th year	6.16 hours per pay period	(20 days per year)
21st year	6.47 hours per pay period	(21 days per year)
22nd year	6.78 hours per pay period	(22 days per year)
23rd year	7.09 hours per pay period	(23 days per year)
24th year	7.40 hours per pay period	(24 days per year)
25th year	7.71 hours per pay period	(25 days per year)

## 8.2

Employees hired into an Executive Management position after July 1, 1994 shall receive the following vacation benefits:

## Beginning with:

Date of Hire:	3.08 hours per pay period	(10 days per year)
6th year	4.62 hours per pay period	(15 days per year)
12th year	5.23 hours per pay period	(17 days per year)
15th year/above	6.16 hours per pay period	(20 days per year)

## 8.3

Employees promoting into an Executive Management position will follow the vacation schedule referenced in articles 8.1, 8.2, or 8.3, depending upon their initial employment date with the City of Lodi.

## 8.4

Vacation may not be carried over to the subsequent year in excess of the amount earned in a calendar year unless authorized by the City Manager.

## 8.5

Vacation leave may be varied for Council appointees.

## ARTICLE IX – ADMINISTRATIVE LEAVE

## 9.1

Beginning calendar year 1998, Administrative Leave will be given on a calendar year basis. To implement this change, employees will be credited with 40 hours of Administrative Leave in January of 1998 (coupled with the 80 hours received in July of 1997), for a total of 120 hours to be used by December 31, 1998. From 1999 forward, employees will be credited with 80 hours Administrative Leave in January of each year.

## 9.2

New employees or employees becoming eligible due to a promotion receive Administrative Leave on a prorated basis, with eight hours granted for each full calendar month remaining in the calendar year with a maximum of 80 hours.

## 9.3

Employees separating mid-year will receive a cash payout for unused Administrative Leave with respect to that calendar year only.

## 9.4

Employees may request that up to 40 hours of Administrative Leave be taken as cash payment during the calendar year except in the months of May and June. A request to cash out Administrative Leave must be in writing and submitted to the Finance Department.

## ARTICLE X – HOLIDAY LEAVE

## 10.1

Executive Management shall receive four floating holidays and the following eight and one-half fixed holidays:

- New Year's Day January 1
- President's Day 3rd Monday in February
- Memorial Day Last Monday in May
- Independence Day July 4
- Labor Day 1st Monday in September
- Thanksgiving Day 4th Thursday in November
- Day after Thanksgiving Day Friday after Thanksgiving Day
- Christmas Eve (4 hours) December 24
- Christmas Day December 25

## 10.2

Fixed holidays occurring on Saturdays shall be observed on the preceding Fridays; Sunday holidays will be observed on the following Mondays, with the exception that if the following Monday were a holiday, the Sunday holiday would be taken on the preceding Friday.

## 10.3

Holiday hours may not be carried into the following calendar year.

## 10.4

If hired or separated at any time other than the beginning of a calendar year, employee shall be credited or debited with fixed holidays remaining in the year.

The four (4) floating holidays will be prorated as follows:

<u>Hired or Separated</u>	<u>Days Credited</u>	<u>Days Debited</u>
Jan-March	4	3
April-June	3	2
July-Sept	2	1
Oct-Dec	1	0

ARTICLE XI – SICK LEAVE

11.1

Sick Leave is earned at the rate of 3.70 hours per pay period with no limit on the amount that can be accumulated. Total sick leave accrued is 12 days per year.

11.2

Employees promoting into an Executive Management position will accrue sick leave at the rate indicated in section 11.1, providing their initial employment with the City of Lodi was prior to January 1, 1996.

11.3

Employees hired after January 1, 1996 will accrue sick leave at the rate of 3.08 hours per pay period with no limit on the amount that can be accumulated. Total sick leave accrued will be 10 days per year.

## ARTICLE XII – SICK LEAVE CONVERSION

## 12.1

Executive Management hired prior to July 1, 1994, after 10 years with the City and only upon retirement, may convert their accumulated sick leave time to medical insurance premiums or cash under the following options:

OPTION #1 - "Bank"

The number of accumulated hours shall be reduced by 16-2/3% and the remaining balance converted into days. The days are then multiplied by the current monthly premium being paid for the employee and, if applicable, his/her dependents. Fifty percent of that dollar amount will be placed into a "bank" to be used for medical insurance premiums for the employee, and if applicable, his/her dependents. For each year of employment over 10 years, 2.5% will be added to the 50% used in determining "bank" amount. Total premiums shall be paid from the Bank until its depletion, at which time the conversion benefit stops. In the event the retiree dies, the remaining bank will be reduced by 50% and the survivor may use the bank until the balance is gone.

Employees may elect to defer using this sick leave conversion option for a period of up to five years following retirement.

OPTION #2 - "Conversion"

The number of accumulated hours shall be multiplied by 50% and converted to days. The City shall pay one month's premium for employee and dependents for each day after conversion. For each year of employment in excess of 10 years, 2.5% shall be added to the 50% before conversion. The amount of premium paid shall be the same as the premium paid by the City at the time of retirement. In the event any differences are created by an increase in premiums the difference must be paid for by the employee. The City shall allow a surviving dependent of a retiree enrolled in the Sick Leave Conversion program to purchase medical insurance at the employee only premium for the same period as if the retiree had not died.

OPTION #3 - "Cash-Out"

A retiring employee will be able to choose a cash pay-off of accumulated sick leave at the rate of 30% of base pay per hour. No further medical benefits will be available through the City of Lodi.



## 12.2

Employees hired after July 1, 1994 will not have the option of converting unused sick leave time into medical insurance premiums or cash as referenced in OPTION 1-3.

## 12.3

In the event an active employee dies before retirement and that employee is vested in the Sick Leave Conversion program (10 years) the surviving dependents have an interest in one-half (1/2) the value of the bank as calculated in section 12.1.

## 12.4

A retiree or surviving dependent, upon expiration of City-paid coverage, if any, has the option of purchasing at the prevailing rate additional medical insurance for an unlimited amount of time.

## 12.5

Out of area retirees may receive reimbursement for medical insurance premiums up to the City's liability as specified in Section 12.1; Option #2.

## 12.6

Only one City of Lodi employee may carry dependent coverage for another City employee, therefore, upon retirement the employee may re-enroll as an individual into the health plan in order to take advantage of the Sick Leave Conversion program.

## 12.7

The City has modified its contract with PERS to add credit for unused sick leave per Government Code Section 20868.8. This benefit is available to all employees regardless of date hired; however, it is the only sick leave conversion benefit available to employees hired after the effective date of July 1, 1994. It is agreed that eight hours equals one day for purposes of determine days creditable. If an employee opts to solely utilize the provisions of another option, other than 12.7, the City will report to PERS that they have zero hours of unused sick leave. If an eligible employee opts to utilize this option in conjunction with other sick leave conversion options (see article 12.8), the City will report to PERS a pro rata portion of the unused sick leave.

Example: Sally has 1000 hours of sick leave when she retires after 10 years of city service. She opts to cash out 200 hours and requests that the remaining 800 hours be used for PERS credit. The City will report 800 hours of unused sick leave to PERS.

## 12.8

An employee may opt to combine more than one sick leave conversion option as long as the total time utilized does not exceed the employee's total accumulated sick leave balance.

Example: Joe has 1000 hours of sick leave when he retires after 10 years of city service. He opts to cash out 500 hours and requests that 500 hours be converted into medical premiums.

ARTICLE XIII – EXECUTIVE PHYSICAL EXAMINATION

13.1

Executive Management employees may elect to receive a complete annual executive physical examination as deemed necessary by the employee's physician:

13.2

Employees shall be reimbursed for costs not covered by the medical insurance for procedures pursuant to 13.1. Employees must submit all related receipts, attached to a claim voucher, to the Finance Department for reimbursement.

**ARTICLE XIV – MEDICAL INSURANCE****14.1**

Executive Management employees are provided with fully paid family medical and pharmaceutical insurance. Should an employee decide to elect single medical coverage, the City of Lodi will deposit \$25.00 per pay period into the employees deferred compensation account. If no coverage is elected \$71.15 per pay period will be deposited into the employees deferred compensation account.

**14.2**

Only one City of Lodi employee may carry dependent coverage for another City employee. Co-payments incurred due to the loss of dual coverage will be reimbursed by the City of Lodi on a quarterly basis.

ARTICLE XV – DENTAL INSURANCE

15.1

Executive Management employees are provided fully paid family dental insurance.

15.2

Maximum benefits are \$1,000 for each family member enrolled into the dental plan, per calendar year. There is a \$25 deductible plus co-insurance features.

ARTICLE XVI – VISION INSURANCE

16.1

Executive Management employees are provided with a family vision care insurance plan with a \$25 deductible.

## ARTICLE XVII – LIFE INSURANCE

## 17.1

Executive Management employees are provided with *term life and accidental death/dismemberment* insurance. In general, the benefits are as follows:

<u>Executive Management</u>	<u>Benefit</u>
Police and Fire Chiefs	1-1/2 times annual salary rounded to next highest \$1,000 plus \$2,000.
All other Executive Management	1-1/2 times annual salary rounded to the next highest \$1,000, plus \$12,000. Maximum life insurance is \$150,000.

## 17.2

Life Insurance includes dependent coverage as follows:

Spouse dependent	\$1,500
Unmarried child dependent (age 6 months to 21 years)	\$1,500
Unmarried student dependent (age 21-22)	\$1,500
Dependent handicapped child	\$1,500
Child dependent (under 6 months)	\$ 150

## 17.3

Executive Management employees are provided with \$100,000 of *accident insurance* while traveling on City business outside the City limits. Spouses are only covered while accompanying the City employee on City business, or while conducting business on behalf of the City.

## 17.4

Executive Management employees are also provided with a \$25,000 *accidental death* policy, in the event of death resulting from a line-of-duty injury.

## ARTICLE XVIII – LONG TERM DISABILITY

## 18.1

A long term disability program which, coordinated with other disability benefits, shall provide a benefit of 66 2/3% of the employee's basic monthly earnings, in the event of disability. This program commences 60 days from the date of disability.

## 18.2

Employees qualifying for coverage shall receive long-term disability benefits commencing on the 61st calendar day following the last day worked. Medical insurance coverage will remain in effect until the last day of the month in which the employee was placed in a leave without pay status. The City will continue the employees medical, dental and vision coverage for 90 days thereafter and life insurance for 1 year. Other benefits and obligations must be met by the employee. Long-term disability benefits are coordinated with other benefits received during disability, such as Workers' Compensation temporary disability payments or PERS unmodified retirement allowances.

## 18.3

The Police Chief and Fire Chief are also covered under the provisions of the California Labor Code, Section 4850, if the disability is job-related.

## 18.4

Employees must submit a physician's certificate prior to returning to normal work duties.

**ARTICLE XIX – LEAVES AND LEAVES OF ABSENCE****19.1**

Executive Management employees shall receive all leaves and leaves of absence in accordance with Federal and State mandates and City policies.

**19.2****Family Medical Leave**

- a) Family Medical Leave is available to employees upon reasonable request unless such request qualifies as an exception to eligibility for family medical leave, or that granting the leave would cause undue hardship.
- b) Family Medical Leave is leave of absence up to a total of four (4) months from the date leave commenced within a 12-month period for the following reasons:
  - 1) Birth of a child of the employee and in order to care for such child or the placement of a child with an employee in connection with the adoption or foster care of child by an employee (such leave must be taken within the 12-month period following the child's birth or placement with employee); or
  - 2) To care for a child, parent or spouse of the employee who has a serious health condition; or
  - 3) Because of a serious health condition that makes the employee unable to perform the functions of his/her position.
- c) The terms and conditions for leaves of absence without pay pertaining to the medical benefits are applicable to Family Medical Leave in accordance with the City of Lodi Administrative Policy and Procedure.



ARTICLE XX – TUITION REIMBURSEMENT

20.1

Executive Management employees shall receive up to \$300 per fiscal year for tuition reimbursement, or the equivalent cost of tuition and books for two courses per semester or quarter at a State university beyond the level of an Associate of Arts degree, to be paid upon the satisfactory completion of job-related course work. This section will be applied toward tuition at an accredited College or University.

## ARTICLE XXI – PROFESSIONAL LIABILITY

## 21.1

As provided in Government Code Section 840 and the following, Executive Management employees shall be indemnified and held harmless by the City against all costs, legal expenses, and liability arising out of decisions made in their capacity for the City of Lodi and/or from any cause of action for property damage, or damages for personal injury, including death, sustained by person(s) as a result of a decision made in their capacity, except that:

- A. The City is not required to but may provide for the defense of an action or proceeding brought against an employee or former employee if the City determines that:
  - 1. The act or omissions was not within the scope of their employment; or
  - 2. They acted or failed to act because of actual fraud, corruption, or actual malice; or
  - 3. The defense of the action or proceeding by the City would create a conflict of interest between the City and the employee or former employee.
- B. The City is not required to but may pay any claim of judgment for punitive or exemplary damages under the following circumstances:
  - 1. The judgment is based on an act or omission of an employee or former employee acting within the course and scope of their employment as an employee of the City.
  - 2. At the time of the act giving rise to the liability, the employee or former employee acted, or failed to act, in good faith, without actual malice and in the apparent best interests of the City.
  - 3. Payment of the claim of judgment would be in the best interests of the City.

## ARTICLE XXII - CATASTROPHE BANK

## 22.1

This bank is available for all Executive Managers, who by reason of illness or non-industrial injury exhaust all employee benefits. To be eligible to receive this benefit the employee must have first exhausted all accrued leave time. This bank is funded by voluntary transfers of the dollar value of accumulated leave balances to another manager or mid-manager. All such transfers shall require approval of the City Manager or his/her designee.

"Catastrophe" is defined as being a medically certified condition in which the employee is incapacitated and unable to work due to a prolonged illness or non-industrial injury which is estimated to last for at least thirty calendar days.

The time placed in the bank shall be converted into dollar value and shall be drawn at the requesting employee's pay step.

All donated hours must be used on a continuous and uninterrupted basis until the earliest of the following events occurs:

1. The employee returns to work.
2. The employee's employment terminates.

All donations must be a minimum of four hours.

Hours to be donated shall be kept in a pledge status until used. As needed, pledged hours shall be debited from the donor's leave balance and credited to the recipients usable accrual balances. Once credited, the donation becomes irrevocable.

Executive Management employees may only receive donations from Executive Management employees. Any exception to this paragraph must be approved by the City Manager or designee.

The Catastrophe Bank will be administered in accordance with the Catastrophe Leave Policy and Procedure, attached (Attachment A)

### ARTICLE XXIII - JURY DUTY

#### 23.1

Jury duty for inquest juries and trial juries shall be administered in accordance with the Administrative Policy and Procedure Manual, Sec. J. Grand jury service is not covered by jury duty leave.

CITY OF LODI  
ADMINISTRATIVE POLICY AND PROCEDURE MANUAL

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SUBJECT : CATASTROPHIC LEAVE - *Policy*  
DATE ISSUED : February 18, 1998  
SECTION : C  
REFERENCE :

SECTION 1: PURPOSE

The Catastrophic Leave Program is designed to assist full time regular employees who have exhausted all paid leave due to a serious or catastrophic illness or non-industrial injury or because the employee is providing necessary full-time care to his/her spouse or dependent child who has a serious catastrophic illness or injury.

The Catastrophic Leave Program allows other City employees to voluntarily donate vacation, compensatory time off (CTO), administrative leave, or sick leave to an employee who meets the eligibility requirements so that the recipient will be able to remain on a paid status for a longer period of time, or until the employee qualifies and has met the waiting period for short or long term disability.

SECTION 2: ELIGIBILITY FOR PERSONAL CATASTROPHIC LEAVE

The employee must meet the following requirements to be eligible:

- A. The employee must be in a full time, regular position.
- B. The employee must have verifiable serious or catastrophic illness or non-industrial injury which is estimated to last for at least (30) calendar days. Serious or catastrophic illness or injury is one in which the employee is incapacitated and unable to work as certified by their physician.

- C. The employee must have exhausted all leave balances.
- D. The employee is not receiving short or long-term disability or similar benefit.

SECTION 3:

ELIGIBILITY FOR FAMILY CATASTROPHIC LEAVE

- A. The employee must be in a full time, regular position.
- B. The employee must have exhausted all leave balances.
- C. The employee's spouse or child has a verifiable serious or catastrophic illness or injury which results in the employee being required to provide full-time care for that family member.

SECTION 4:

MAXIMUM LENGTH OF LEAVE

The maximum length of Catastrophic Leave that may be received and taken in any calendar year is 60 days for an employee providing care to a family member or until the employee begins short or long-term disability for Personal Catastrophic Leave.

SECTION 5:

DONATIONS

The donating employee may donate hours from vacation, CTO, administrative leave, or sick leave balances. In order to donate sick leave, the donor must have a sick leave balance of least 160 hours after making any donation.

Donations can be made for any amount provided they are made for a minimum of four hours. Donations are irrevocable.

SECTION 6:

RECEIPT AND USE OF DONATIONS

Donations are used by the recipient in the order received from Donors.

In any calendar year, no further donations will be accepted after the recipient has received the maximum allowable under Section 4.

All donated hours must be used on a continuous and uninterrupted basis until the earliest of the following occurs:

- A. All donated leave balances are exhausted; or
- B. The employee returns to work; or
- C. The employee begins receiving short or long-term disability benefits; or
- D. The employee's employment terminates.

SECTION 7:

EFFECT ON OTHER BENEFITS

Refer to the Family Medical Leave Policy.

CITY OF LODI  
ADMINISTRATIVE POLICY AND PROCEDURE MANUAL

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SUBJECT : CATASTROPHIC LEAVE - *Procedure*  
DATE ISSUED : February 18, 1998  
SECTION : C  
REFERENCE :

SECTION 1:                      APPROVAL OF LEAVE

An employee who has exhausted, or soon will exhaust sick leave, vacation, CTO and/or Administrative Leave or the employee's representative, must request the employee's participation in the CLP on an application form and supply written verification of the illness or injury from a physician. The completed form must be submitted to the Human Resources Department for approval.

The Human Resources Department will notify the requesting employee and the Finance Department of the approval for Catastrophic Leave.

SECTION 2:                      REQUEST FOR DONATIONS

The recipient employee's bargaining unit and/or the Human Resources Department will make known the request for CLP donations.

SECTION 3:                      PROCESSING OF DONATIONS

Donating employees complete the catastrophic leave transfer request form and submit it to the Finance department.

Donations will be placed in the catastrophic leave bank until the maximum hour limit is reached, or is no longer eligible for catastrophic leave.

Donated hours will be kept in a pledge status until the hours are used by the recipient.



SECTION 4:

RECEIPT OF DONATIONS

Donations are converted into dollar value and shall be drawn at the recipients pay step.

Used donated leave time shall be subject to the recipients normal payroll deductions.

EXHIBIT B



*The Superior Court*

THIRD FLOOR COUNTY COURTHOUSE  
STOCKTON, CALIFORNIA 95202

TELEPHONE  
(209) 468-2827

November 2, 2000

H. Dixon Flynn  
City Manager  
City of Lodi  
221 W. Pine St.  
Lodi, CA 95240


Dear Mr. Flynn:

Enclosed you will find the Grand Jury's report on their review of City of Lodi - Tuition Reimbursement.

Per §933.05(f) P. C.: "A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report."

The report will be released to the public next week. If you have any questions, please do not hesitate to call me at the above listed number.

Sincerely,

  
TRISA L. MARTINEZ  
Staff Secretary to the Grand Jury

Enc.



**Grand Jury**  
**County of San Joaquin**  
Courthouse  
222 East Weber Avenue-Room 303  
Stockton, California 95202  
(209)468-3855

**FINAL REPORT**  
**CASE #0100 Tuition Reimbursement City of Lodi**

**REASON FOR INVESTIGATION**

A citizen filed a written complaint regarding a letter to the editor stating that the Mayor of Lodi had been reimbursed \$5,000 in tuition payments for classes taken at St. Mary's College.

**BACKGROUND**

In 1988 the Lodi City Managers office extended to all City Council members the same employee benefits given to full-time, non-safety employees of the City of Lodi.

The current City of Lodi employee benefit package includes tuition reimbursement based on stated criteria.

**METHOD OF INVESTIGATION**

The Grand Jury met with the Lodi City Manager on three separate occasions.

The City Manager discussed California Government Code §53200 & §53208.5, implemented in January 1995, referencing employee benefits being extended to Council members.

A discussion was held with the former City Attorney for Lodi, who held the position during the years of 1988/89.

A review was made of all minutes of Lodi City Council meetings held in 1988 & 1989, the years in which it was suggested that the issue of employee benefits being extended to City Council members may have been raised at a Council meeting.

A review was made of appropriate City of Lodi administrative procedures regarding employee benefits.

A summary of tuition reimbursement payments, listing all payments made to employees and Council members, was made available for the Grand Jury to examine.

A review was made of the administrative procedure used to verify eligibility of tuition payments.

## **FINDINGS**

The process for payment of tuition reimbursement available for employees and council members was uniformly applied with regard to the City of Lodi Mayor.

The payments made to the Mayor were paid, per class, over a period of time, not in a singular check as could be inferred by the letter published in the local newspaper.

The payments made to the City of Lodi Mayor were consistent with similar tuition reimbursement for other employees of the City of Lodi.

Other cities in the immediate area extend a variety of employee benefits to their city council members. Some cities do not have these benefits available.

The Mayor has returned to the City of Lodi the amount of money given him for tuition. The money had been deposited in the Veteran's Memorial Fund, not the General Fund.

During the final interview with the City Manager, he determined that the money had been misdirected to the Veteran's Memorial Fund and a journal entry was done on October 26, 2000 to transfer the funds into the General Fund.

The City of Lodi Council members have voted to delete the tuition reimbursement from the benefit package they currently enjoy.

The legislative intent of California Government Code §53200 and §53208.5, enacted in January 1995, is to have a uniform limit on the benefits extended to members of "political subdivisions of the state". The codes speak to retirement benefits, group life insurance and health and welfare benefits.

## **RECOMMENDATION**

It is recommended that the City of Lodi council members address the issue of benefits being extended to council members. This vote could be taken at a time when the impact on the current Council would have minimal effect. To continue to extend benefits based on an administration decision made in 1988 leaves ongoing decisions on this issue open to scrutiny and conjecture.

It is also recommended the Lodi City Council take formal action if it is their desire to have this money placed in the Veteran's Memorial Fund.

## **RESPONSE REQUIRED**

The City Manager of Lodi shall respond in writing to the Presiding Judge of the Superior Court within 90 days of publication of this report on:

Section 933.05 of the Penal Code, requires that as to the finding in the report the response indicates one of the following:

- a) The respondent agrees with the finding.
- b) The respondent disagrees with the finding with an explanation of the reason therefore.

Section 933.05 of the Penal Code, also requires as to the recommendation, the response indicate one of the following:

- a) The recommendation has been implemented, with a summary of the action taken.
- b) The recommendation has not yet been implemented, but will be, with a timeframe for implementation.
- c) The recommendation requires further analysis, with an explanation of the scope of the analysis and a timeframe not to exceed six months.
- d) The recommendation will not be implemented, with an explanation therefore.

RESOLUTION NO. 2000-211

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING AND  
AFFIRMING THE BENEFITS PROVIDED TO ITS  
CITY COUNCIL MEMBERS

WHEREAS, the Lodi City Council is desirous of formalizing and affirming the benefits provided to its City Council Members; and

WHEREAS, the following Schedule of Benefits represents a listing of those benefits:

SCHEDULE OF BENEFITS	
➤ Accidental Death Insurance	➤ Accidental Travel Insurance
➤ Chiropractic Insurance	➤ Credit Union Membership
➤ Deferred Compensation	➤ Dental Insurance
➤ Direct Deposit Payroll	➤ Employee Assistance Program
➤ Employee Development •	➤ Life Insurance
➤ Flexible Spending Account	➤ Medical Fringe
➤ Medical Insurance	➤ Pharmaceutical
➤ Medical-Married City Employees	➤ 2% @ 55 as allowed through PERS
➤ Recreation (LCEA)	
➤ Vision Insurance	
➤ Workers Compensation	
• Does Not Include Tuition Reimbursement Per Council Action on July 5, 2000.	

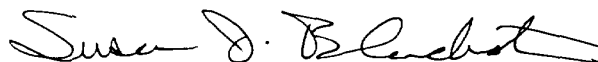
NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lodi hereby approves and affirms the Schedule of Benefits set forth above for City of Lodi Council Members; and

BE IT FURTHER RESOLVED, that this Schedule of Benefits for City Council Members may be amended from time to time by Resolution.

Dated: November 15, 2000

I hereby certify that Resolution No. 2000-211 was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 15, 2000, by the following vote:

AYES: COUNCIL MEMBERS – Land, Nakanishi, Pennino and Mayor Mann  
NOES: COUNCIL MEMBERS – Hitchcock  
ABSENT: COUNCIL MEMBERS – None  
ABSTAIN: COUNCIL MEMBERS – None

  
SUSAN J. BLACKSTON  
City Clerk